

STONE RESOURCES, LLC

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RECEIVED

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DIV. OF OIL, GAS & MINING

September 16, 2010

Sent Facsimile Transmission 801 977-4397/435-743-3135
and regular mail

Mike Gates
Manager
Jerry Mansfield
Geologist
Fillmore Field Office
Bureau of Land Management
35 East 500 North
Fillmore, Utah 84631

Glen Carpenter
Western Desert District Office
Bureau of Land Management
2370 South 2300 West
Salt Lake City, Utah 84119

Re: Stone Resources LLC and Tejon Quarries, North Canyon.

Gentlemen:

I regret not being able to earlier express my appreciation for the productive meeting I had with Mike Gates, Fillmore manager, and Glen Carpenter of the District Office. The purpose of this correspondence is to confirm my understanding of the points discussed. I am also including a proposed suggestion to control and disseminate trilobite specimens.

The following items constituted the main points of our discussion:

1. The release of the bonds posted with respect to the Smoke (Tejon # 2), Mauve (Tejon # 3) and Buckskin (Tejon #4) quarries. These three quarries comprise 6.98 acres out of a total of 9.91 acres bonded for reclamation. The release was based upon the need to leave these quarries open and exposed giving access to their fossil resources.
2. The BLM's approval of the Plan of Operations for removal of all palletized and monolithic stone, subject to the BLM's mineral royalty requirements.
3. Proposals for safeguarding the Paleontological resources and methods to make this resource available to the public and interested scientific collectors.

4. That Stone Resources would submit a Plan of Operations for these quarries incorporating the provisions discussed as finally decided upon by the BLM.

5. The removal of approximately 100 tons of groundcover for market research regarding the Plan of Operations submitted by Stone Cover, LLC.

I believe there was a consensus of understanding that the present Mauve, Smoke and Buckskin quarries should not be reclaimed, with the Mauve and Smoke quarries left open for fossil collection and Paleontological study. Stone Resources committed to cleaning up these sites removing any existing debris. Without the need for full reclamation it was appropriate to consider releasing the reclamation bond portion for these sites. Stone Resources also advised that it would not release its claim interest over these sites, although allowing for this multiple use with respect to the Mauve and Smoke quarries.

At the meeting Stone Resources suggested a Plan of Operations leaving the Mauve and Smoke quarries exposed for Scientific collection. Stone Resources would remove any valuable building stone only after all the available Paleontological resources had significantly diminished. Thereafter Stone Resources would provide fresh exposed stone surfaces within the Mauve and Smoke quarries for continuing research and collection. This cycle would be periodically repeated, as approved by the BLM or upon the BLM's request. Appropriate signage would designate the Mauve and Smoke areas with language limiting Stone Resources liability. With respect to the other quarries, Stone Resources would train an employee(s) to remove and protect all trilobite specimens discovered which would be turned over to the BLM or its designee. Any unusual Paleontological resource uncovered would require immediate cessation of operations until the discovery has been thoroughly evaluated and the area released by the BLM Paleontologist.

Attention is called to my letter of April 3, 2010. The area covered by the present quarry bonding consists of the Burgundy (#4) 2.93 acres, Mauve (#3) .99 acres, Smoke (#2) 1.32 acres and the Buckskin (#1) 4.67 acres or a total of 9.91 bonded acres. The Mauve, Smoke and Buckskin quarries comprise 6.98 acres of the total of 9.91 acres or approximately 70% of the total volume. The present bonds are believed to equal \$108,000.00. It is proposed that all but 30% (\$32,400) of the \$108,000 be released to Stone Resources.

Following a determination of the bond amount, Stone Resources would immediately file a Plan of Operations providing for operation of the Burgundy and Buckskin quarries and maintenance of the Mauve and Smoke quarries. It is requested the BLM identify the royalty amount to be placed into escrow pending a validity examination.

For the reasons set out in my letter of June 4, 2010 addressed to Jerry Mansfield, I am requesting that the resolution of these issues be expedited.

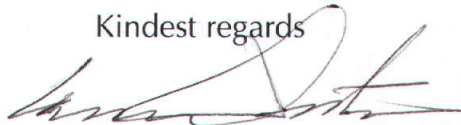
NEW PROPOSAL:

Since our meeting I have given thought to making the Trilobite specimens available to the public. I propose that Stone Resources enter into a contract with the BLM for the collection, control and distribution of these Trilobite fossils to scientific and educational institutions. Stone Resources would catalog and place into a safe (secured storage location) all trilobite fossils discovered as a result of its quarrying operations. The fossils would be, subject to and under the control of the BLM.

The BLM would advertise the availability of the cataloged fossils to qualified institutions upon a first come basis. Upon receipt of a qualified request the specimen would be packaged and mailed to the requestor by Stone Resources. An advisory in the package would warn that it is unlawful to sell or traffic in the acquired specimen. The inserted note would also provide a geologic and scientific description of the resource. Stone Resources would charge a collection, handling and mailing fee to cover costs. These Trilobite specimens would thus be made available for display and/or hands on examination by scientific organizations, libraries and educational institutions i.e. colleges, universities and secondary schools. I submit this idea would provide not only broad dissemination of the actual fossils, but also public acceptance and appreciation. If requested I am available to discuss any aspect of this proposal.

Please advise me which of these matters meet with your approval, such that I can incorporate them into a new Plan of Operation. Thank you again for your assistance.

Kindest regards



W. David Weston

cc: Tom Munson
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